## Fiscal Estimate - 2009 Session

Original Updated	t	Correc	ted [	Supple	mental
LRB Number <b>09-3254/1</b>	I	ntroductio	n Number	SB-279	
Description Financial assistance related to bioenergy fe definition of the term agricultural use for the requiring a strategic bioenergy feedstock as forestry diversification programs; biofuels trabiofuel production facilities; marketing order personal renewable fuel production and use and business tax registration requirements; pumps that mix motor vehicle fuels from see thanol to motor fuel dealers; state renewal motor vehicle fuels; use of petroleum-based flex fuel vehicles owned by the state; use of Energy Independence; granting rule-making making appropriations; and providing penal	e purpose of ssessment; of aining asses rs and agree e from the m an income parate stora ble motor ve d transportat f public alter g authority; r	determining to creation of a basement; a studements for biomotor vehicle from the condition of the condition	he assessed va- pioenergy councily of regulatory energy feedsto- uel tax, the petr tax credit for in ring gasoline the les goals; requitate vehicles; use fueling facilities	alue of a pare cil; the agricu burdens rela cks; exempti coleum inspe- istalling or re- nat is not bler red sales of se of alterna ; duties of the	cel of land; ultural and ating to ing ction fee, etrofitting nded with renewable tive fuels in e Office of
Fiscal Effect					
Appropriations Decrease Existing Appropriations Create New Appropriations	Increase Ex Revenues Decrease E Revenues	-	Increase Coto absorb w	vithin agency es	
Permissive Mandatory 2. Decrease Costs 4.	Decrease R	Mandatory	5.Types of Loc Government Towns Counties School Districts	t Units Affect Village s Others WTCS	Cities
Fund Sources Affected		<del></del>	fected Ch. 20 A	Appropriation	ns
GPR 🛛 FED 🔲 PRO 🔲 PRS	∐ SEG	SEGS 50	5 (1)(mb)		
Agency/Prepared By	Autho	rized Signatı	ıre		Date
DOA/ Pat Meier (608) 266-5877	Martha	Kerner (608)	266-1359		9/17/2009

# Fiscal Estimate Narratives DOA 9/17/2009

LRB Number	09-3254/1	Introduction Number	SB-279	Estimate Type	Original

#### **Description**

Financial assistance related to bioenergy feedstocks, biorefineries, and conversion to biomass energy; the definition of the term agricultural use for the purpose of determining the assessed value of a parcel of land; requiring a strategic bioenergy feedstock assessment; creation of a bioenergy council; the agricultural and forestry diversification programs; biofuels training assessment; a study of regulatory burdens relating to biofuel production facilities; marketing orders and agreements for bioenergy feedstocks; exempting personal renewable fuel production and use from the motor vehicle fuel tax, the petroleum inspection fee, and business tax registration requirements; an income and franchise tax credit for installing or retrofitting pumps that mix motor vehicle fuels from separate storage tanks; offering gasoline that is not blended with ethanol to motor fuel dealers; state renewable motor vehicle fuels sales goals; required sales of renewable motor vehicle fuels; use of petroleum-based transportation fuels by state vehicles; use of alternative fuels in flex fuel vehicles owned by the state; use of public alternative fuel refueling facilities; duties of the Office of Energy Independence; granting rule-making authority; requiring the exercise of rule-making authority; making appropriations; and providing penalties

#### **Assumptions Used in Arriving at Fiscal Estimate**

SB-279 would require the Department of Administration (DOA) to take specific steps to reduce the use of gasoline and diesel fuel by state agencies. The mandated reductions and specific steps required conform to those in Executive Order #141 signed by the Governor in March 2006. The Director of DOA's Bureau of Enterprise Fleet Operations anticipates that the department will continue to work toward these goals as they have since 2006 with no additional costs beyond those already provided for in the 2009-11 biennial budget. Further, the Office of Energy Independence (OEI) will continue to work with the Bureau of Enterprise Fleet Operations to maintain and update its current plan to identify flex-fuel vehicles and the location of alternate fueling sites and encourage state employees to use those sites when possible. No additional funding will be required for this task.

SB-279 also requires the Office of Energy Independence to biennially conduct a strategic bioenergy feedstock assessment. The first such report is due April 30, 2013. According to the Office, the data required for the assessment is available, but from numerous sources. The Office anticipates that approximately \$25,000 would be required to fund either staff time and/or contract expenses for the preparation of each biennial report, or \$12,500 annually. This efffort would include identifying the appropriate data, coordinating the data gathering process, analyzing the data, and developing and writing the report.

The Office of Energy Independence is also tasked with assisting the Biofuels Production Facility Regulatory Review Committee in the preparation of its report to the Governor and Legislature. The report is due 2 years after the effective date of the legislation. The Office estimates that this assistance will require a half-time position for the two-year period of the Committee's work. The estimated cost would be approximately \$35,000 annually, or \$70,000 over the two-year life of the Committee.

Finally, the Office estimates that the modifications to its existing goals and duties can be absorbed within current resource and staffing authorizations.

#### Long-Range Fiscal Implications

### Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original Doc	dated		Corrected		Supplemental
LRB Number <b>09-3254/1</b>		Intro	duction Nur	nber	SB-279
Description Financial assistance related to bioene energy; the definition of the term agric a parcel of land; requiring a strategic leads council; the agricultural and forestry degulatory burdens relating to biofuel bioenergy feedstocks; exempting personal tax, the petroleum inspection fee, franchise tax credit for installing or ret storage tanks; offering gasoline that is motor vehicle fuels sales goals; required based transportation fuels by state verstate; use of public alternative fuel reformating rule-making authority; required and providing penalties	cultural use bioenergy for iversification production for sonal renew and busine rofitting punts not blendered sales of hicles; use ueling facilit	for the puedstock on program acilities; able fuel ess tax remps that remewab of alternaties; duties; duties; duties	arpose of deterrassessment; or ns; biofuels trai marketing orde production and gistration requir nix motor vehice nanol to motor to le motor vehicle tive fuels in flex ss of the Office	mining the reation of ning asserts and action in the second action in th	e assessed value of a bioenergy essment; a study of greements for an income and rom separate ers; state renewable se of petroleum-nicles owned by the y Independence;
I. One-time Costs or Revenue Impa annualized fiscal effect): \$70,000	cts for Stat	te and/or	Local Govern	ment (de	o not include in
II. Annualized Costs:			Annualized F	iscal Imp	pact on funds from:
			Increased Cost	ts	Decreased Costs
A. State Costs by Category					
State Operations - Salaries and Fri	nges		(	\$	\$
(FTE Position Changes)					
State Operations - Other Costs			12,50	0	
Local Assistance					
Aids to Individuals or Organizations	3				
TOTAL State Costs by Categor	ry		\$12,50	0	\$
B. State Costs by Source of Funds				·	
GPR					
FED			12,50	0	
PRO/PRS					
SEG/SEG-S					
III. State Revenues - Complete this revenues (e.g., tax increase, decrease)	only when ase in licen	proposa se fee, e	l will increase ts.)	or decr	ease state
			Increased Re	ev	Decreased Rev
GPR Taxes			(	\$	\$
GPR Earned					
FED					
PRO/PRS					
SEG/SEG-S					
TOTAL State Revenues				\$	\$
NET	ANNUALIZ	ED FISC	AL IMPACT		
			Stat	te	Local

NET CHANGE IN COSTS	\$12,500	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By	Authorized Signature	Date